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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING.  
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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## COOPERATIVE MARKETING OF DAIRY PRODUCTS

Dairy products to the value of \$640,000,000 were sold through cooperative associations in 1927, according to an estimate based on reports received recently by the Division of Cooperative Marketing of the U. S. Department of Agriculture. This huge sum is roughly divided among the several types of cooperatives as follows: Creamery associations, \$250,000,000; milk-bargaining associations, \$205,000,000; milk-distributing associations, \$140,000,000; cheese factories, \$33,000,000; cream stations, \$12,000,000.

Heavy gains in the volume of business handled were made during the year by the creameries, the milk-bargaining associations and the milk-distributing associations. One group of creameries in the Minnesota-Wisconsin dairy section reported sales for 1927 more than \$6,000,000 larger than for 1926. Increased sales were also reported by the larger cooperative creamery enterprises in a number of the states.

Some very large increases in gross sales were also reported by the milk-bargaining associations operating in a number of the larger cities. Several of the milk-distributing associations also made substantial gains in gross sales in 1927.

Many of the creameries and cheese factories bought farm supplies for their patrons, the value of which would increase the total volume of business by several millions of dollars.

Measured by value of dairy products sold cooperatively, the leading states in 1927 were: New York, Minnesota, Wisconsin, Massachusetts, Iowa, Pennsylvania, Michigan, and California, in the order named.

The leading states in cooperative making and marketing of butter were: Minnesota, Wisconsin, Iowa, and California. States leading in cooperative marketing of cheese were: Wisconsin and Oregon; and the states leading in milk marketing were: New York, Ohio, Massachusetts, and Pennsylvania.

On January 1 of this year, 2,479 cooperative associations engaged in marketing dairy products were listed by the United States Department of Agriculture. These associations were classified as follows: creameries, 1,390; cheese factories, 751; milk-marketing associations, 119; cream stations, 102; milk-bargaining associations, 40; miscellaneous enterprises, 77.

### NEBRASKA CREAMERY TRIPLES ITS CAPACITY

Rapid increase in the volume of business of the Farmers' Union Cooperative Creamery, Fremont, Nebr., necessitated a larger building and an addition to the plant is nearly completed. This will give the creamery an \$80,000 plant with double the former floor space and triple the operating capacity. In the past year the company manufactured 3,357,130 pounds of butter, compared with 2,532,672 pounds in 1926. At the same time there was a reduction in the cost of manufacturing from 3.2 cents a pound in 1926 to 2.61 cents in 1927.

Gross sales for 1927 amounted to \$1,403,908, and net sales to \$1,396,780. The sum of \$13,983 is to be distributed as a patronage dividend, at the rate of about one-half cent per pound on the 2,708,916 pounds of butterfat purchased.

Net earnings for the year amounted to \$21,827, and 8 per cent was paid on share capital. Net worth at the close of the year was \$42,699, consisting almost entirely of share capital.

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### A BIG COOPERATIVE CREAMERY IN CALIFORNIA

Several records were broken by the Danish Creamery Association, Fresno, Calif., during 1927. Nearly three-quarters of a million pounds more butter was made in 1927 than in 1926, and total sales were nearly \$700,000 larger in the latter year than in the former.

Among the items included in gross sales were: butter, net at shipping point, \$2,371,988; butterfat sold, \$120,461; powdered skim milk, \$190,672; casein, \$110,181; dried buttermilk, \$57,835; liquid skim milk, \$6,255.

The larger items of expense were: manufacturing, \$220,620; hauling, \$149,021; selling, \$37,843; administration, \$62,815.

This association is serving 1,800 dairy farmers. Its investment in the plant amounts to \$215,102 after a heavy deduction for depreciation. Share capital amounted to \$244,590 on December 31, 1927.

The association was organized in 1895. Business done in recent years is shown below:

Year	Butter made (Pounds)	Sales	Expense	Net earnings
1921	2,822,269	\$1,286,145	\$195,006	\$ 3,112
1922	3,461,251	1,570,400	195,173	27,736
1923	3,995,575	2,029,077	246,697	6,773
1924	4,382,271	1,965,043	260,202	33,559
1925	4,250,271	2,169,226	257,111	39,049
1926	4,306,310	2,141,306	- - - -	- - -
1927	5,025,742	2,861,451	521,156	53,828

### MAINE ASSOCIATION COMPLETES FORTY-FIFTH YEAR

Sales of dairy products by the Turner Centre System, Auburn, Me., amounted to \$7,200,131 for 1927. The larger items making up the total were: milk and cream, \$4,644,980; ice cream, \$1,650,393; butter, \$766,718; ice cream mixture, \$71,233; condensed milk, \$53,638; cheese, \$11,267; casein, \$1,902. The gross income for the year was \$7,415,125 and included beside dairy products, egg sales of \$93,143; supply sales of \$21,038; rents, discounts, interest, dividends, etc.

The growth of this cooperative marketing enterprise since 1913 is shown by the following figures:

Year	Sales of dairy products		Butterfat paid for		Net worth
	Amount	Relative	Pounds	Relative	
1913	\$1,781,597	100	3,739,417	100	\$ 239,038
1914	1,961,383	110	4,248,378	113	264,119
1915	2,210,809	124	4,540,809	121	403,963
1916	2,513,508	141	4,500,363	120	439,002
1917	3,107,586	174	4,061,892	108	622,234
1918	4,122,869	231	4,132,587	110	650,848
1919	4,825,370	271	4,684,213	125	867,277
1920	5,484,443	308	4,229,370	113	948,128
1921	4,162,565	234	3,816,315	102	1,112,211
1922	3,439,104	193	3,606,203	96	1,588,968
1923	4,307,457	242	4,117,924	110	1,791,193
1924	6,082,124	341	4,123,692	110	1,925,001
1925	6,266,914	352	3,971,805	106	1,786,740
1926	6,682,182	375	4,126,364	110	1,860,593
1927	7,200,131	404	3,582,789	96	1,979,727

The association began business as the Turner Centre Dairying Association in 1882. It was incorporated in 1893 and reorganized as the Turner Centre System in 1919, when a plan was adopted whereby all patrons might become shareholders of the association.

Five per cent of the monthly amounts due patrons for milk and cream is withheld and at the close of each business year certificates of cooperative common stock are issued to the patrons. These certificates are redeemable at the end of five years. Deductions for cooperative common stock amounted to \$108,917 in 1927.

Outstanding share capital on December 31, 1927, amounted to \$1,757,847: \$984,847 of cooperative common stock and \$773,000 of preferred stock.

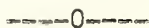


### CONNECTICUT MILK ASSOCIATION HOLDING FIFTY MEETINGS

An intensive campaign for signatures to the 1928 contract of the Connecticut Milk Producers' Association, Hartford, is in progress. Fifty meetings are scheduled, beginning February 13 and ending March 16, with two or three meetings a day.

At the twelfth annual meeting which was attended by an unusually large number of members, the president reported that the business had reached the 12 million dollar mark and was more than two and one-half times larger than six years ago, yet was handled without any increase in the office force. He stressed the necessity for a reserve fund and resolutions were adopted in favor of establishing a fund of not less than \$50,000, and the directors were instructed to levy and collect an assessment of one dollar per cow against all the cows owned by the membership. This assessment with accumulating interest is expected soon to reach the desired minimum.

The present membership of the association was reported as 3,505, a net gain of 153 for the year. The number of cows listed at present is 44,838, or 1,447 more than one year ago. The quantity of milk under contract is 324,000 quarts daily, compared with 302,000 quarts last year, and the number of members under contract is 2,957, compared with 2,780 a year ago.



### PRELIMINARY REPORT FROM LAND O'LAKES CREAMERIES

Business amounting to \$46,315,079 was transacted by the Land O'Lakes Creameries, Inc., Minneapolis, during 1927, according to a preliminary report. This was an increase of \$6,463,423 over the figures for 1926. Comparative figures for the quantities of products sold in 1926 and 1927 are as follows:

Year	Butter sold (Lbs.)	Butter printed (Lbs.)	Sweet cream sold (Cars)	Powdered buttermilk sold (Lbs.)	Cheese sold (Lbs.)
1926	80,622,786	17,263,442	317	1,200,000	635,455
1927	84,412,139	23,039,604	470	2,821,045	1,695,168

A steady improvement in quality of butter produced is indicated by the percentage which scored 93 in December of the last three years: 1925, 51 per cent; 1926, 68 per cent; 1927, 72 per cent.

Sales for 1927 by the machinery and supplies department amounted to \$1,520,593, with net earnings of \$133,811.

### MILK PRODUCERS OPERATE THREE ASSOCIATIONS

Milk producers in the vicinity of Los Angeles are organized into three associations which are united in carrying out a single marketing program. These organizations are the California Milk Producers' Association, the California Cooperative Creamery Company and the Dairymen's Feed and Supply Company. While the three organizations are separately incorporated, they are managed largely as a single enterprise. The same milk producers are members of all three and the same men largely constitute the three boards of directors. The Producers' Association is a price-bargaining organization. The creamery company is engaged in processing milk and in distributing it to consumers, and the supply company is an organization for buying collectively the farm supplies needed by the milk producers. The total business transactions of the three organizations for 1927 amounted to \$11,528,180. The Producers' Association was organized in 1915 and the new creamery company was incorporated in 1927, following the operation by the association of the Burr Creamery for several years. The capital for the new creamery company was obtained by a deduction of 2 cents a pound on the butterfat in the milk marketed by the Producers Association during the twenty-five months beginning in 1920, and from the earnings arising from the operation of the Burr Creamery.

The income of the California Milk Producers' Association for 1926 and 1927 was \$63,414 and \$71,603, respectively, and the operating expenses for the two years were : 1926, \$66,658; 1927, \$69,190.

The volume of business handled annually by this association since 1917 is shown by the figures below:

Year	Value of milk handled		Operating expense	Per cent cost of operating*
	Amount	Relative		
1917	\$ 521,611	100	\$-----	3.00
1918	1,287,037	247	-----	1.75
1919	1,800,562	345	-----	1.62
1920	2,985,404	572	-----	1.37
1921	3,201,137	614	49,178	1.15
1922	3,683,401	706	-----	1.40
1923	5,027,028	964	60,830	1.12
1924	5,819,853	1116	65,869	1.03
1925	5,570,032	1102	69,216	1.20
1926	5,484,075	1051	66,658	1.20
1927	5,875,074	1126	69,190	1.20

\* As reported by the association.

### IOWA MILK MARKETING ASSOCIATION IS EXPANDING

A highly gratifying increase of more than 7 million pounds of milk delivered in 1927, is reported by the Des Moines Cooperative Dairy Marketing Association, Des Moines, Iowa. The exact figure was 7,969,005 pounds, or 21,832 pounds per day. There was an increase in members from 1,711 to 1,916, but as most of the new members came into the organization in the autumn when the milk supply was short, the conclusion is reached that the old members supplied the greater part of the increased production. In 1926 the association handled 7,513,524 pounds of milk at its plant in 10½ months, and last year it handled 14,216,390 pounds in 12 months at the plant. With sales of market milk to distributors the total quantity handled by the association was 35,882,384 pounds in 1926 and 43,851,389 pounds in 1927.

Plans for the new plant are progressing. A site has been purchased and more than \$82,000 has been subscribed for financing the project. Interest was stimulated by means of meetings and field work.

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### CHICAGO SALES AGENCY MARKETS BUTTER AND EGGS

Sales by the Chicago Equity Union Exchange passed the two million dollar mark in 1927. Butter sales were \$2,038,443, and egg sales \$31,112. The Exchange marketed 265 cars containing 86,487 tubs of butter. More than 60 per cent of the butter came from the Farmers' Equity Cooperative Creamery, Nebr.; about 37 per cent from the Equity Union Creameries, Aberdeen, S. D.; and 1.4 per cent from the Farmers' Equity Union Creamery, Lima, Ohio. Most of the eggs were handled for the Illinois Cooperative Equity Union Exchange, Effingham, Ill.

The activities of the last six years are indicated below:

Year	Butter sales		Egg sales		Net earnings
	Pounds	Value	Cases	Value	
1922	3,336,481	\$1,130,990	2,710	- - -	\$6,837
1923	3,031,974	1,259,276	- - -	- - -	3,982
1924	2,623,481	1,033,013	1,560	\$10,597	4,872
1925	3,195,230	1,363,735	3,627	23,038	6,067
1926	5,354,870	1,678,918	11,183	100,413	8,433
1927	5,394,035	2,038,443	4,191	31,112	7,807



### COOPERATIVE BUTTER AND CHEESE MARKETING IN MINNESOTA

Seventy-five per cent of the creameries and 74 per cent of the cheese factories in Minnesota in 1927 were cooperative enterprises. Approximately 70 per cent of the creamery butter made in the state is produced in cooperative plants.

The number of creameries in the state and the number that are cooperative are given below for the various years since 1920:

Year	Number of creameries*		Per cent of creameries cooperative
	Total	Cooperative	
1920	830	642	77
1921	831	645	78
1922	810	639	79
1923	803	628	78
1924	817	647	79
1925	825	660	80
1926	840	663	79
1927	885	663	75

\* Minnesota state reports.

During the last 17 years, the period for which statistical information is available, the number of cheese factories in Minnesota has decreased from 85 to 58, the percentage of the factories which are cooperative has increased, however, from 38 to 74. The figures for the years since 1920 are as follows:

Year	Number cheese factories*		Per cent of factories cooperative
	Total	Cooperative	
1920	87	69	79
1921	81	69	85
1922	74	58	78
1923	65	49	75
1924	64	49	77
1925	64	47	73
1926	62	47	76
1927	58	43	74

\* Minnesota state reports.

### APRICOT GROWERS RECEIVE TWO PAYMENTS

Members of the California Prune and Apricot Growers' Association, San Jose, Calif., received a second payment on the first pool of 1927 apricots, amounting to \$210,363, on December 22. One week later a final payment on 1927 apricot pits was distributed. This sum was \$14,712, bringing the total for 1927 pits to \$41,074, or \$39.91 per ton.

The quantity of dried apricots delivered to the association from the 1927 crop was more than two million pounds greater than deliveries of 1926, and the quantity of pits delivered was one-third of a million pounds greater than the previous year.

More than 104,000,000 pounds of 1927 prunes had been received up to January 1, 1928. Sales are reported as "very satisfactory" with a possibility of being all sold out, except a reasonable reserve of fruit packed in cartons, before the time of the annual meeting in May.

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### MICHIGAN GRAPE ASSOCIATION TWENTY-EIGHT YEARS OLD

Nearly 500 grape growers are served by the Southern Michigan Fruit Association, Lawton, Mich., which was organized in 1899. Grape shipments for the 1927 season had a net sales value of \$232,817. Handling expense for the year was \$8,792. Patronage dividends paid during the last four years amounted to \$71,880.

Carlot shipments are made from a number of railway stations in the grape-producing region about Lawton. The cars are sent to the most favorable markets, east, west, north, or south.

During some of the early years that the association was operating, more than 1,000 cars of grapes were handled per season, production at that time being heavier than now. The activities of the organization during recent years are indicated by the following figures:

Year	Cars shipped	Sales	Handling expenses
1921	472	*\$522,000	-----
1922	1,194	* 812,000	-----
1923	632	* 518,563	-----
1924	911	** 551,966	\$10,761
1925	123	** 129,316	8,210
1926	---	** 249,473	8,575
1927	---	** 232,817	8,792

\* Gross sales.

\*\* Net sales.

### NEW CONTRACT FOR SOUTH DAKOTA WHEAT POOL

By a vote of the directors, the winter pool of the South Dakota Wheat Growers' Association, Aberdeen, S. D., closed at midnight, February 15, and the summer pool opened immediately thereafter.

As the 1927 crop is the last to be handled under the five-year contract, plans are being made for a campaign to sign up members under a new five-year agreement. Every member is urged to go into the field and help "put the next grain pool over."

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### ALBERTA WHEAT POOL PLANS NEW TERMINAL ELEVATOR

Recent advices state that the Alberta Wheat Pool Elevators, Ltd., Calgary, a subsidiary of the Alberta Cooperative Wheat Producers, Ltd., has awarded a contract for a new terminal elevator at Vancouver, which is to be completed and ready for operation by September 1 of the present year. This elevator is to have a capacity of 2,500,000 bushels with equipment for loading, unloading and cleaning grain which will be the last word in grain handling facilities. Docks will provide space for three boats at a time.

The Prince Rupert terminal which was operated last year by the Alberta Wheat Pool Elevators, Ltd., has now been leased for a period of five years, from August 1, 1928. This elevator aided greatly last year in relieving congestion at Vancouver.

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### CANADIAN GRAIN HANDLED LARGELY BY TWO ASSOCIATIONS

Experiences of Canadian farmers in cooperative marketing of grain are set forth by J. F. Booth in Technical Bulletin No. 63, "Cooperative Marketing of Grain in Western Canada." The study is comprehensive, covering many phases of the movement.

Nearly 30 years ago the farmers of western Canada began to apply the principles of cooperation to the marketing of their grain crops by establishing independent local elevators. During the years they have gradually developed a group of cooperatives which coordinate local and terminal elevator facilities with centralized selling and the local independent elevator unit has disappeared. As a net result of the years of experimentation more than one-half of the grain crop of western Canada is at present handled by two large-scale farmers' organizations, the Canadian Cooperative Wheat Producers, Ltd., selling for 140,000 members, and handling 200,000,000 bushels of grain annually, and the United Grain Growers, Ltd., with 35,000 members, handling 43,000,000 bushels in 1926.

Copies of the bulletin may be procured from the Division of Co-operative Marketing, U. S. Department of Agriculture, Washington, D. C.

### COOPERATIVE SALES ON LIVESTOCK MARKETS

Twenty-four cooperative sales agencies operated in 18 terminal livestock markets in 1927. These farmer-owned and farmer-controlled organizations sold more than 10,700,000 head of livestock, according to a preliminary estimate. The livestock had a sales value of more than \$257,000,000. In addition to the animals sold the agencies bought nearly 300,000 animals for farmers wanting stockers and feeders. The value of all the animals handled was approximately \$265,000,000.

At 13 of the eighteen markets there was but one cooperative sales agency; at four of the markets there were two agencies, and at one of the markets, three agencies.

National Stock Yards, East St. Louis, of the 18 markets, handled the largest number of animals on a cooperative basis. The South St. Paul market handled the second largest number, and the Union Stock Yards, Chicago, the third largest number.

The detailed figures for cooperative activity at each of the 18 markets is given in the table below:

Market	Agencies	Number of animals				Sales and purchases*
		Cattle & calves	Hogs	Sheep	Total	
Buffalo	1	45,749	306,608	219,048	571,405	\$ 10,563,658
Chicago	2	177,065	1,099,249	445,382	1,721,696	45,695,081
Cincinnati	1	38,319	197,619	30,765	266,703	6,194,013
Cleveland	1	41,312	194,638	101,038	336,988	6,701,852
Denver	1	12,621	60,055	56,675	129,351	3,820,400
Detroit	1	94,169	193,300	142,251	429,720	8,544,962
E. St. Louis	2	331,870	1,487,351	176,298	1,995,519	48,443,872
Evansville	1	27,109	102,050	7,543	136,702	3,268,471
Indianapolis	1	100,133	490,345	50,776	641,254	16,631,288
Kansas City	2	102,327	292,400	70,380	465,107	15,349,520
Milwaukee	1	92,806	101,654	5,485	199,945	3,771,305
Omaha	1	48,304	357,176	24,219	429,699	12,613,021
Peoria	1	13,361	149,696	2,546	165,603	3,982,523
Pittsburgh	1	20,107	139,418	84,287	243,812	4,362,043
St. Joseph	1	69,703	416,786	41,173	527,662	14,280,638
St. Paul	3	416,891	1,281,517	152,693	1,851,101	42,928,563
Sioux City	2	52,898	430,627	28,781	512,306	15,481,878
Wichita	1	28,612	40,166	7,461	76,239	2,504,124
Total	24	1,713,356	7,340,655	1,646,801	10,700,812	\$265,137,212

\* Including 299,214 animals purchased for farmers.

More than one-half of all the animals sold cooperatively were handled by the seven agencies on the East St. Louis, St. Paul and Chicago markets.



WEST VIRGINIA LIVESTOCK MARKETING COOPERATIVELY

The sixteen county units of the West Virginia Cooperative Livestock Shippers' Association, Inc., Morgantown, W. Va., shipped 18,499 animals during 1927. This livestock brought the shippers \$251,955 net. The value to shippers of livestock sent to market in 1926 was \$461,262, and for livestock shipped in 1925, \$460,427.

The number of animals shipped for the various years since 1924 is given below:

Year	Number of shippers	Number of animals			
		Sheep	Cattle	Calves	Total
1924	1,874	13,034	5,201	660	18,895
1925	2,618	15,602	5,319	1,123	22,744
1926	2,773	18,042	5,528	1,407	24,977
1927	1,437	16,971	1,114	414	18,499

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WISCONSIN SHIPPING ASSOCIATION REPORTS

Shipments of livestock by the Barron Cooperative Live Stock Shipping Association, Barron, Wis., totalled 71½ cars for 1927. F.o.b. receipts amounted to \$98,608, of which the producers received \$97,084; the manager's commission was \$1,334; other home expense was \$153; and \$35 was carried to the sinking fund. The commission paid for selling at the terminal market totalled \$1,219, an average of \$17.04 per car.

This company was formed in 1914 and has been engaged in shipping stock ever since. In 1925 it had 400 members. Some available figures of its operations are given below:

Year	Cars shipped	Gross receipts			Net returns at shipping point
		Cattle	Hogs	Sheep	
1922	65	\$29,425	\$44,000	\$4,091	\$72,488
1923	71	29,303	44,233	2,688	70,788
1924	—	—	—	—	—
1925	62	32,186	56,515	4,292	88,057
1926	61	38,337	68,977	4,846	106,986
1927	71½	49,748	49,733	3,936	98,608

### COOPERATIVE SELLING OF LIVESTOCK AT MILWAUKEE

Gross sales by the Equity Cooperative Livestock Sales Association, Inc., Milwaukee, Wis., were \$3,771,305 for 1927. Commissions and other earnings amounted to \$184,464 and expenses of operation to \$174,914, giving net earnings of \$9,550.

During the last two years the association has handled livestock as follows:

Year	Cattle	Hogs	Sheep	Total
1926	75,317	46,095	4,643	126,055
1927	92,806	101,654	5,485	199,945

This sales agency was established March 20, 1922. Since that date it has handled 14,098 cars of livestock, which have been sold for \$16,697,334. The present membership of the organization is 101 associations.

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### LIVESTOCK SHIPPING IN VIRGINIA

In reviewing the work of the past year the manager of the Pulaski and Montgomery Livestock Cooperative Shipping Association, Riner, Va., calls attention of the the members to some of the outstanding results. Two new counties were added to the association and the membership increased from 900 to approximately 1,000; lamb shipments increased from 15,905 head to 19,109 head; cattle shipments dropped from 2,892 in 1926 to 1,533 in 1927. There was also a decrease in the number of hogs shipped. Gross sales for the year amounted to \$404,662, more than any other year except 1926, and producers received \$378,391, 94 per cent of total.

Growth of the organization in its seven years of existence is indicated by the following figures:

Year	Livestock shipped	Gross sales
	(Cars)	
1921	37	\$ 58,000
1922	76	127,831
1923	121	221,437
1924	148	231,372
1925	173	282,919
1926	225	454,269
1927	190	404,662

### COOPERATIVE LIVESTOCK MARKETING AT CLEVELAND

Nine per cent more livestock was handled by the Producers' Cooperative Commission Association, Cleveland, Ohio, in 1927 than in 1926. The cost of marketing was \$72.49 a deck in 1927 compared with \$76.89 in 1926. This lower cost in 1927 is largely due, in the opinion of the management, to the larger percentage of double-deck cars received in the latter year. Total sales for 1927 were \$6,626,368. Most of the \$5,374 of net earnings came from the handling of hogs. Ninety-one per cent of the livestock came from Ohio Shippers; about 6 per cent, from Indiana, and about 3 per cent from Illinois, Michigan, Iowa, Minnesota, and Nebraska. About 7 per cent was delivered at the stockyards in trucks.

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### LIVESTOCK MARKETING IN INDIANA

During the last three years 94,067 head of livestock have been forwarded to market for the patrons of the Montgomery County Shippers' Association, Crawfordsville, Ind., which is one of the large shipping associations in the middle west. About 80 per cent of all the animals shipped were hogs. The 20 per cent consisted of cattle, calves and sheep. The shipments for the last four years were as follows:

Year	Cattle	Calves	Hogs	Sheep	Total	Net receipts
1924	1,674	1,523	40,816	1,989	46,002	\$781,395
1925	1,545	1,578	27,253	2,614	32,990	833,106
1926	1,475	1,566	23,859	2,843	29,743	814,349
1927	1,577	1,524	24,333	3,900	31,334	720,488

Practically all the shipments from this association are made by electric railway to the cooperative sales agency at the Indianapolis livestock market.

The expenses at the terminal market were \$25,282, making the f.o.b. sales value at shipping point \$723,736. Local expenses, including net payments to sinking fund for livestock insurance, were \$3,298, leaving \$720,488, which was distributed among the 1,068 shippers.

Net earnings for the year were \$198 and this sum was carried to capital accounts which at the close of the year amounted to \$2,723. The growth of this account for the past six years has been as follows: 1922, \$597; 1923, \$674; 1924, \$2,284; 1925, \$2,498; 1926, \$2,525; 1927, \$2,723.



### CALIFORNIA ASSOCIATION SELLS TURKEYS AT CHRISTMAS

Volume of business transacted by the Tulare Cooperative Poultry Association, Tulare, Calif., was \$221,398 in 1927, compared with \$287,608 in 1926. Sales of turkeys for the Christmas market to the amount of more than \$6,000 helped to increase the total for the year. Feeds and supplies to the value of nearly \$6,000 were purchased for the members. Total expenses came to \$16,862.

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### NET EARNINGS FOR SAN DIEGO EGG PRODUCERS

Egg sales by the Poultry Producers of San Diego, Inc., San Diego, Calif., amounted to \$376,973 in 1927, compared with \$554,821 for 1926 and \$811,678 for 1925. The expense of operating the association for 1927 was \$27,867 and the net earnings were \$7,378, part of which came from storage activities. Dividends of \$4,239 were paid. Outstanding share capital amounted to \$72,498 at the close of the year with 525 share holders.

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### DRESSED POULTRY SHIPPED FROM MANY POINTS

More dressed poultry than ever before was handled in the season just past by the Manitoba Cooperative Poultry Marketing Association, Ltd., Hartney, Man. The quantity was approximately 1,050,000 pounds, equivalent to 62 car loads. Shipments were made from nearly 100 points in the province, and stock was graded and paid for entirely on the basis of quality. Its gross value was approximately \$320,000. Turkeys constituted about 60 per cent of the total quantity.

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### COOPERATIVE HANDLES EGGS FOR STORAGE

According to a recently issued statement by the management of the Pacific Egg Producers' Cooperative, Inc., New York City, about 95 per cent of the receipts of Pacific Coast eggs in New York City during the storage period of March to May, 1927, were handled by that organization. In commenting upon the matter of egg receipts at New York, the management says: "The movement from the Pacific Coast is steady throughout the year, the production of fresh eggs not being as greatly influenced by extremes of summer and winter climatic conditions, as in other sections of the country."



### COOPERATIVE COTTON MARKETING IN ALABAMA

Gross returns to the Alabama Farm Bureau Cotton Association, Montgomery, for the annual pool season, 1926-27, amounted to \$5,457,684. Association expenses for the year were \$138,375; members' reserve amounted to \$27,272 and contingent reserve to \$1,862. The members' equity in the returns amounted to approximately \$5,290,000. Sales of long-pool cotton amounted to \$1,288,131 up to July 31, 1927. Investments by the association at the end of the business year included \$50,000 in the Alabama Farm Bureau Credit Corporation, \$3,000 in the Producers' Sales Corporation, and \$2,620 in the county farm bureau gins and warehouse companies.

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### CREDIT AGAIN AVAILABLE TO LOUISIANA COTTON GROWERS

Loans to the amount of \$72,000 were made to 101 farmers last year by the Louisiana Agricultural Credit Corporation, and practically all this amount has been repaid. Of the remainder a large percentage is secured by cotton and only a small amount will have to be carried over into the new year, according to the report of the officers of the organization. Because of the satisfactory nature of last year's business and an insistent demand for its continuance, the Credit Corporation has decided to continue and is offering loans to responsible parties who are members of the Louisiana Farm Bureau Cotton Growers' Cooperative Association at the rate of  $6\frac{1}{2}$  per cent per annum, loans to have a maturity of either six or nine months.

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### INDIANA WOOL ASSOCIATION PLANNING FOR EXPANSION

An aggressive campaign is planned by the Indiana Wool Growers' Association, Indianapolis. It proposes to feature the activities of the association at all township and county meetings this winter, using the three wool films, "From Wool to Cloth," "The Golden Fleece," and "The Woolly West." Plans further include the appointment of a wool director for each county farm bureau, to secure new members for the association and attend to pooling the wool. The greater part of the wool marketed through the association is sold through the sales agency established by the Ohio Wool Growers' Cooperative Association.

A portion of the wool of the Indiana organization is manufactured into virgin wool suiting at an Indiana mill; a second mill manufactures the material into men's suits, tailored to order; and a third mill turns out virgin wool blankets. The Indiana Wool Growers' Association offers the services of these mills to members and nonmembers, but at higher rates to the nonmembers.

### BUYS FARM SUPPLIES AND SELLS FARM PRODUCE

Farm supplies to the value of \$339,703 were purchased for its members by the Rockingham Cooperative Farm Bureau, Inc., Harrisonburg, Va., during its 1926-27 business year. These supplies made 377 car loads made up of the following : fertilizer, 151 cars; feed, 115; cotton seed meal, 33; cement, 17; salt, 10; galvanized roofing, 12; coal, 5; sugar, 5; machinery, 2; binder twine, 65,000 pounds; salt fish, 30,000 pounds; candy and nuts, 4,500 pounds; oysters, 245 gallons, and many other commodities.

Farm produce to the value of \$73,376 was shipped. This included 3,267 head of livestock, 45 tons of hay, 20,844 pounds of wool, and 942 bushels of wheat. This association was organized in 1921 and is now operating at three points.

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### NEW HAMPSHIRE EXCHANGE BUYS FARMERS' SUPPLIES

Flour and feed are the chief commodities handled by the Sullivan County Farmers' Exchange, Claremont, N. H., a farmers buying organization. Other lines include: fertilizer, lime, seeds, seed potatoes, molasses, and coal. Sales to members for 1926-27 amounted to \$103,970, of which \$87,170 was for flour and feed. Of six car loads of fertilizer, 20 tons were high analysis fertilizer, the first ever sold in the county.

The quantities of supplies purchased each of the last seven years, the value of such supplies, and the margin required to do business, are shown below:

Year	Cars handled	Value of supplies	Expenses	Margin required for business
				(Per cent)
1920-21	78	\$115,583	\$ 4,393	3.9
1921-22	66	59,583	4,598	8.2
1922-23	76	77,678	3,947	5.2
1923-24	85	106,199	3,772	3.7
1924-25	78	93,714	3,891	4.1
1925-26	79	93,872	3,802	4.1
1926-27	87	103,970	3,946	3.8

This association was organized in 1918 and serves about 400 farmers.

### CALIFORNIA ASSOCIATION DEALS IN POULTRY FEEDS

Since its organization in 1916, the San Diego Poultry Association, Inc., San Diego, Calif., has served poultry producers as a buying organization, buying poultry feed and various supplies. Sales of the association in 1927, less discounts, came to \$659,095; cost of goods sold was \$572,468; expenses totaled \$52,587, including an item of \$2,735 reserves; and excess income over expense was \$41,290.

Available figures indicating the progress of this company in its 11 years of work, are shown below:

Year	Net sales	Gross income	Expense	Net earnings
1917	-----	-----	-----	\$ 2,601
1918	-----	-----	-----	4,412
1919	-----	-----	-----	13,517
1920	-----	-----	-----	16,623
1921	*\$650,000	-----	-----	36,906
1922	598,459	\$78,930	\$46,762	32,167
1923	698,396	87,045	51,832	35,212
1924	663,482	82,278	47,627	41,126
1925	720,401	88,551	49,102	48,029
1926	644,051	83,181	53,147	36,647
1927	659,095	86,626	52,587	41,290

\* Approximate gross sales.

The San Diego Poultry Association is a capital stock company, with \$77,646 of share capital outstanding, formed for the special purpose of buying poultry feeds in carlots and mixing mashes under the supervision of expert poultrymen. It is a mutual organization and earnings are distributed to members each year in proportion to the amount of feed purchased. In 1924 the company had 950 members. Supplies are sold to nonmembers as well as members.

The success of the feed buying association led the poultrymen to organize the Poultry Producers of San Diego, Inc., as an egg marketing association in 1919. The two organizations have the same secretary-manager and are working to a common end, namely, the prosperity of the poultry producers.



### IRELAND TO HAVE AGRICULTURAL CREDIT CORPORATION

Recent advices from Ireland state that an Agricultural Credit Corporation which will soon be in operation is expected to give a new impulse to cooperative enterprises. Through the efforts of the Irish Agricultural Organization Society and of the present Minister of Agriculture, the dairy industry of the country is to be "completely Irish in ownership, control, finance, production and marketing." The voluntary organizations and the State Department of Agriculture are said to be working together toward a national federation for marketing Irish dairy products.

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### COOPERATIVES OF NEW SOUTH WALES

Cooperative societies in New South Wales numbered 304 on June 30, 1926, according to the official report of the Registrar. These were classified as follows: 64 rural, 58 trading, 1 community settlement, 8 community advancement, 170 building, and 3 investment societies.

The operations of the rural societies include the manufacture and sale of butter, cheese and bacon; fruit packing and marketing; and pool buying of poultry feed and other supplies. Proceeds of sales of this group amounted to £1,428,739 for the year.

The trading societies reported sales of goods to the amount of £3,520,904. Of the 8 societies for community advancement, four conduct public halls, one is a golf club, and another is a bowling club. Building societies are most numerous. A very large percentage of these are of the "terminating" type, presumably operated on the amortization plan.

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### SOUTH AFRICAN CITRUS GROWERS WORKING TOGETHER

Twenty-two affiliated companies were represented at the first annual meeting of the South African Cooperative Citrus Exchange, Ltd., at Pretoria, February 23, 1927. This organization was formed after the abolishment of the Citrus Sub-Board of the Fruit Exchange, and it now represents practically all the citrus fruit growers. Many questions of policy remain to be decided, including arrangements for handling and shipping fruit at different ports, grading, development of local markets, and the amount which the Exchange should contribute toward the support of the Federal Board. A finance committee and a grading committee were selected.

The Exchange proposes to handle all the fruit of its members, cutting out local agents as a matter of economy and efficiency. Plans are being made to handle overseas shipments through an established organization with its salesmen and its trade connections.

One member organization, the Kat River Citrus Growers, exported 44,307 cases of oranges in 1926, with satisfactory results.



### THE MANAGEMENT PROBLEM.

Managerial ability, business experience and good judgment are valuable assets to the cooperative manager, but he must in addition have greater ability in dealing with human beings than is possessed by the average business man. Some men do well in private business who could not successfully manage a small cooperative association. The relationship between success in personal business and success in the management of a cooperative business is by no means as close as some believe. In addition to being able to show a favorable balance on the ledger the manager of a cooperative enterprise also has the problems of satisfying a hundred or a thousand members.

The individual owner of a business is responsible only to himself. The manager of a private corporation is responsible only to the board of directors. As a general rule he does not come in contact with the shareholders. He satisfies them when he returns a substantial profit on their investment. Those whom he serves daily are a different group and interested in different matters. The cooperative manager, however, has quite another problem. His patrons are for the most part the owners of the business, and except in the case of very large associations, the manager is closely in touch with his members. Those whom he serves daily are the same persons who, at the end of the year, will decide whether under his management the associations' operations have been satisfactory.

This suggests that special training and experience are necessary in a cooperative manager and it is this problem that the associations are attempting to meet by carefully selecting their leaders. A survey of the qualifications of seventy-eight New York cooperative association managers brought out that fifty-five had an average of seventeen years experience in business other than farming and seventeen of these fifty-five had been engaged in business similar to that handled by their association; seventy-three of the seventy-eight were at the time, or had been, members of cooperative associations; forty-three managers had high school training and of these eighteen had attended college or university; sixty-five of the seventy-eight managers were raised on farms and seven more worked on farms either as hired men, tenants or owners.

These qualifications in themselves are not sufficient to insure capable managerial ability. The cooperative manager must be possessed of unusual tact, judgment and business ability. He must also appreciate the farmers' viewpoint and the inherent characteristics of agricultural life. Since environment, education and experience contribute to these qualifications, they are an indication of managerial ability.

John F. Booth.

### "POOLING ALBERTA'S WHEAT"

A bulletin issued in January by the Alberta Cooperative Wheat Producers Limited, Calgary, Alberta, bears the title "Pooling Alberta's Wheat." The introduction states that "the primary purpose of the booklet is to give farmers a concise picture of the organization and operating methods of the Alberta Wheat Pool," while its secondary purpose is to serve as a handbook for other Alberta citizens. Beginning with the story of the early struggles, the 64 pages cover the entire field of operations to date, with many statistics and numerous illustrations. Copies of the publication may be procured from the office of the organization in Calgary.

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### SUGGESTED BY-LAWS FOR COOPERATIVE FARMERS' ELEVATORS

The Division of Cooperative Marketing has prepared a suggested form of by-laws for a cooperative farmers' elevator association with the thought that it may be of service to those who are considering the revision of their present by-laws, the reorganization of such an association, or the formation of a new one. Before adoption the suggested form should be compared with the statute under which the association is formed to ascertain if it is entirely in harmony therewith. Copies of these by-laws may be obtained on request from the Division of Cooperative Marketing, Department of Agriculture, Washington, D. C.

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### REVISED LIST OF HOUSE ORGANS AVAILABLE

An up-to-date list of "Publications Issued by Farmers' Business Organizations" in the United States and Canada, is now ready for distribution. Ninety-seven entries are included, the dairy products organizations leading in point of numbers with 22 publications; followed by fruits and vegetables with 17; cotton and grain with 10 publications each; poultry products, 8; wool, 5; nuts and tobacco, 3 each; beans, livestock and potatoes, 2 each; watermelons, 1; and miscellaneous, 12. The list prepared one year ago covered 92 periodicals. Increases in the new list include: beans, 1; cotton, 1; fruits and vegetables, 2; poultry products, 1; wool, 1; miscellaneous, 5. Decreases include 1 each for broomcorn, dairy products, livestock, peanuts, rice, and tobacco.

Copies of the list may be procured from the Division of Cooperative Marketing, U. S. Department of Agriculture, Washington, D. C.

### OHIO COOPERATIVES TO HAVE NEW HEADQUARTERS

A number of Ohio business organizations established by the Farm Bureau Federation of that state are to have headquarters in a new building being constructed in Columbus by the Federation. These organizations include: the Ohio Wool Growers' Cooperative Association, a large sales agency; the Ohio Farm Bureau Service Company, which purchases quantities of fertilizer, feeds and seeds for farmers and markets their wheat, corn and oats; the Ohio Live Stock Cooperative Association, with branches in nearly 50 Ohio counties; the Eastern States Company, an order-buying subsidiary; and several other enterprises.

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### COORDINATION OF COOPERATIVE EFFORT IN ALBERTA

Greater coordination of effort between the various farmers' organizations of Alberta is being planned. At a joint conference held at Calgary, January 24, by representatives of the Alberta Government, the United Farmers of Alberta and the four cooperative marketing pools of the province, two committees were authorized to study the marketing and purchasing problems of the province and to confer with officials of the Government. Reduction of overhead and management expense, and expansion of effort along certain lines, are mentioned as two specific problems to be given consideration. The plan provides that much of the work laid out by the committees shall be carried out by the United Farmers of Alberta through its membership.

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### ACCOUNTING ASSOCIATION EXTENDS ITS SERVICES

Operating under its second three-year contract, the Illinois Agricultural Cooperatives Association, Chicago, now has 227 member corporations. These include: 95 farmers' elevator companies, 51 farm bureaus, 5 livestock marketing agencies, 8 county livestock shipping associations, 13 local livestock associations, 7 dairy associations, 11 mutual insurance companies, 22 oil distributing companies, 5 mercantile companies, 4 seed companies, and 6 miscellaneous. Each of these companies has agreed to have its records audited at least once a year by the association. Service is furnished only to members.

The Illinois Agricultural Cooperatives Association was organized in May of 1924 to provide accounting and auditing service to members at cost. Its work has now expanded to include income tax service, claims, reports to commercial agencies and to state and federal departments, inventories, appraisals, statistics and comparative data, organization, finance and general business service. During 1927 the association made 289 examinations for which the total charges aggregated \$35,630.



### REPORTED BY THE ASSOCIATIONS

A membership drive was begun on January 23 by the Louisiana Farm Bureau Cotton Association, Baton Rouge, with the goal set for a sign-up of 100,000 bales.

At the annual meeting of the membership of the Maryland Tobacco Growers' Association, held in Baltimore, Md., January 5, it was announced that the cost of marketing tobacco would be cut \$2 a hogshead. Consideration was given to the subject of grading, which is becoming of great importance to southern Maryland tobacco growers. The number of members of the association was 4,950 on January 1 of this year.

Organized in August of 1920, the Producers Cooperative Exchange, Inc., Richmond, Va., now has annual sales of more than \$400,000. The exact figures for the last three years ending with July 1, are: 1925, \$438,617; 1926, \$463,217; 1927, \$424,241. The Exchange sells livestock, hides, wool, poultry, eggs, etc., for its farmer-patrons and buys for them dairy feeds, field seeds, fertilizers and other supplies. It had 760 shareholders on January 1, 1928.

The Mississippi Farm Bureau Credit Corporation is preparing to lend a quarter-million dollars this spring to help members of the Mississippi Farm Bureau Cotton Association finance the production of their crops. Any member of the cotton association is eligible to secure this credit and the field men are prepared to assist members in making applications for loans. The field force has been reduced from nine to four men and the territory of the association divided into four districts.

Having tripled its membership in 1927, the Colorado Bean Growers' Association, Denver, now aspires to triple the present membership in 1928, thereby bringing the number up to 5,000. With 5,000 members the management believes the association could do much toward stabilizing the price of pinto beans the year around. The system of mechanical grading used in 1927 resulted in saving an average of five pounds more good beans per hundred weight than any of the picking machines formerly used, thus adding from 20 to 25 cents for every sack of beans cleaned.

Christmas Day, 1927, witnessed the formal opening of the group of six model cooperative apartment houses erected in the Bronx, New York City, by the Amalgamated Clothing Workers of America and other needle-trade organizations. The six thoroughly modern houses were built at a cost of \$1,825,000 and will house 303 families from the congested districts. They contain 1,185 rooms, each room with outside windows. The group occupies a circular block with a park on either side. An investment of \$500 is required for each room and rent is not to exceed \$11 a month per room.



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